

HOUSE BILL No. 1500

DIGEST OF INTRODUCED BILL

Citations Affected: IC 6-3.1-26.

Synopsis: Hoosier business investment tax credit. Decreases the percentage used to figure the Hoosier business investment tax credit from 30% to 15% of a business's qualified investment. Eliminates the business's state tax liability growth for the taxable year as a limitation on the amount of the credit. Decreases the number of years the credit may be carried forward from nine years to five years.

Effective: January 1, 2006.

Yount, Borrer

January 18, 2005, read first time and referred to Committee on Commerce, Economic Development and Small Business.

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Introduced

First Regular Session 114th General Assembly (2005)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2004 Regular Session of the General Assembly.

HOUSE BILL No. 1500

A BILL FOR AN ACT to amend the Indiana Code concerning taxation.

Be it enacted by the General Assembly of the State of Indiana:

1 SECTION 1. IC 6-3.1-26-8 IS AMENDED TO READ AS
2 FOLLOWS [EFFECTIVE JANUARY 1, 2006]: Sec. 8. (a) As used in
3 this chapter, "qualified investment" means the amount of the taxpayer's
4 expenditures for:

5 (1) the purchase of new telecommunications, production,
6 manufacturing, fabrication, assembly, extraction, mining,
7 processing, refining, or finishing equipment;

8 (2) the purchase of new computers and related equipment;

9 (3) costs associated with the modernization of existing
10 telecommunications, production, manufacturing, fabrication,
11 assembly, extraction, mining, processing, refining, or finishing
12 facilities;

13 (4) onsite infrastructure improvements;

14 (5) the construction of new telecommunications, production,
15 manufacturing, fabrication, assembly, extraction, mining,
16 processing, refining, or finishing facilities;

17 (6) costs associated with retooling existing machinery and

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equipment; and

(7) costs associated with the construction of special purpose buildings and foundations for use in the computer, software, biological sciences, or telecommunications industry; that are certified by the board under this chapter as being eligible for the credit under this chapter.

(b) The term ~~does not include~~ **includes** property that ~~can be readily moved outside~~ **remains in** Indiana **and is considered a qualified investment by the board.**

SECTION 2. IC 6-3.1-26-14 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2006]: Sec. 14. (a) The total amount of a tax credit claimed under this chapter equals ~~thirty fifteen~~ percent (~~30%~~) **(15%)** of the amount of a qualified investment made by the taxpayer in Indiana.

(b) In the taxable year in which a taxpayer makes a qualified investment, the taxpayer may claim a credit under this chapter in an amount equal to ~~the lesser of:~~

~~(1) thirty fifteen percent (30%) (15%) of the amount of the qualified investment. or~~

~~(2) the taxpayer's state tax liability growth.~~

The taxpayer may carry forward any unused credit.

SECTION 3. IC 6-3.1-26-15 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2006]: Sec. 15. (a) A taxpayer may carry forward an unused credit for not more than ~~nine (9)~~ **five (5)** consecutive taxable years beginning with the taxable year after the taxable year in which the taxpayer makes the qualified investment.

(b) The amount that a taxpayer may carry forward to a particular taxable year under this section equals the lesser of the following:

(1) The taxpayer's state tax liability growth.

(2) The unused part of a credit allowed under this chapter.

(c) A taxpayer may:

(1) claim a tax credit under this chapter for a qualified investment; and

(2) carry forward a remainder for one (1) or more different qualified investments;

in the same taxable year.

(d) The total amount of each tax credit claimed under this chapter may not exceed ~~thirty fifteen~~ percent (~~30%~~) **(15%)** of the qualified investment for which the tax credit is claimed.

SECTION 4. [EFFECTIVE JANUARY 1, 2006] **IC 6-3.1-26-8, IC 6-3.1-26-14, and IC 6-3.1-26-15, all as amended by this act, apply only to taxable years beginning after December 31, 2005.**

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